

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00
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PM-05 H-01 L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15
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P R 181526Z JAN 78
FM AMEMBASSY LUSAKA
TO SECSTATE WASHDC PRIORITY 7415
INFO AMEMBASSY BUJUMBURA
AMEMBASSY DAR ES SALAAM
AMCONSUL JOHANNESBURG
AMEMBASSY KIGALI
AMEMBASSY KINSHASA
AMEMBASSY LILONGWE
AMEMBASSY MAPUTO
AMEMBASSY NAIROBI

C O N F I D E N T I A L SECTION 1 OF 2 LUSAKA 0141

E.O. 11652: GDS
TAGS: EWTN EWWT TZ ZA
SUBJ: TANZANIA CANCELS ZAMBIA'S PORT PRIVILEGES

REF: DAR 0198

1. SUMMARY: TANZANIAN DECISION TO DRAMATICALLY INCREASE
DEMURRAGE CHARGES ON ZAMBIAN GOODS AT DAR HAS SENT SHOCK
WAVES THROUGH ZAMBIA. THE MOVE IS BEING VIEWED AS AN
ATTEMPT BY TANZANIA TO TAKE ADVANTAGE OF ZAMBIA'S
DEPENDENCE ON THE DAR PORT AND THE TAZARA. POLITICAL
MOTIVATIONS ARE BEING READ INTO THE DECISION (DIFFERENCES
BETWEEN KAUNDA AND NYERERE OVER RHODESIA) AND SOME
SUGGEST IF YOU CAN'T DEPEND ON YOUR FRIENDS PERHAPS
SOME WAY CAN BE FOUND TO IMPORT GOODS THROUGH ENEMY
TERRITORY (RHODESIA). END SUMMARY)
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FOLLOWING A MEETING BETWEEN ZAMBIAN AND TANZANIAN
OFFICIALS TO DISCUSS THE BACKLOG OF ZAMBIAN CARGO AT THE
PORT OF DARNHTANZANIA'S COMMUNICATIONS AND TRANSPORT
MINISTER, AMIR JAMAL, ANNOUNCED THAT TANZANIA WAS WITH-
DRAWING ZAMBIA'S PRIVILEGED STATUS AT THE DAR ES SALAAM

PORT. FOLLOWING UDI, TANZANIA GRANTED ZAMBIA CONCESSIONAL STORAGE RATES AT THE PORT FOR GOODS DESTINED FOR ZAMBIA. SINCE THEN, ZAMBIA HAS BEEN PAYING APPROXIMATELY \$.12 PER TON, HPER DAY FOR STORAGE AFTER A 20 DAY GRACE PERIOD. ZAMBIA WILL NOW BE REQUIRED TO PAY THE EQUIVALENT OF \$.75 PER TON, PER DAY FOR THE NEXT SIX MONTHS AFTER WHICH THE STORAGE FEES WILL INCREASE TO THE "NORMAL RATE" OF \$1.50 PER TON, PER DAY. ACCORDING TO ZAMBIAN ESTIMATES, THIS WILL COST ZAMBIA APPROXIMATELY K60,000 PER DAY IN STORAGE FEES. (SOME 43,000 TONS OF CARGO FOR ZAMBIA ARE REPORTED TO BE IN STORAGE IN DAR ES SALAAM AT THE PRESENT TIME.)

3. ACCORDING TO ZAMBIAN SOURCES, RECENT MEETINGS BETWEEN JAMAL AND ZAMBIAN MINISTER OF PUBLIC WORKS, HASWELL MWALE, RESULTED IN A PLAN TO SPEED UP THE CLEARANCE OF BACK-LOGGED ZAMBIAN CARGO. ARRANGEMENTS WERE MADE TO PAY ALL OUTSTANDING PORT CLEARANCE CHARGES AMOUNTING TO OVER \$2.5 MILLION TO CLEARING AGENTS, AND IT WAS AGREED THAT ZAMBIAN RAILWAYS WOULD RELEASE 1,000 ZAMBIA RAILWAY WAGONS FOR USE ON THE TAZARA TO BRING CARGO IN FROM DAR. CARGO FROM DAR WOULD BE DELIVERED TO ONLY THREE POINTS IN ZAMBIA TO ALLOW FASTER TURN-AROUND TIME. TAZARA WAGONS, WHICH USUALLY ARE OFF2LOADED AT KAPIRI MPOSHI WOULD BE USED TO DELIVER GOODS TO LUSAKA, HKABWE AND NDOLA. IT WAS AGREED THAT A TOTAL OF 9 FREIGHT TRAINS PER DAY WOULD BE USED ON THE DAR/ LUSAKA RUN. APPARENTLY, NO MENTION OF THE INCREASE IN

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STORAGE RATES WAS MADE DURING THE MEETING BETWEEN JAMAL AND MWALE. JAMAL, ACCORDINGHTO LOCAL SOURCES, WAITED UNTIL THE ZAMBIANS WERE OUT OF TOWN BEFORE DROPPING HIS BOMBSHELL.

4. ZAMBIANS HAVE REACTED WITH OUTRAGE. PRIME MINISTER MAINZA CHONA SAID THAT THE DECISION BY TANZANIA CAME AS A SURPRISE AND WOULD HAVE SERIOUS IMPLICATIONS FOR THE ZAMBIAN ECOMOMY. THE NEW STORAGE RATES WERE DESCRIBED AS MURDEROUS, PUNITIVE AND KILLING. CHMNA SAID HE HAD SENT AN URGENT CABLE TO HIS TANZANIA COUNTERPART, ZDWARD SOKOINE, SEEKING CLARIFICATION OF THE ANNOUNCEMENT MADE BY JAMAL. HE SAID THAT ZAMBIA WOULD PUT INTO FULL EFFECT POST UDI CONTINGENCY TRANSPORT PLANS WHICH HAD BEEN PHASED OUT. THIS WOULD MEAN THAT ZAMBIA WOULD CONDUCT AN ALL OUT SEARCH FOR ALTERNATIVE TRANSPORTATION ROUTES.

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5. WHILE SEVERAL TRANSPORTATION ALTERNATIVES EXIST FOR ZAMBIAN IMPORTS AND EXPORTS, THE TANZANIAN HIGHWAY AND TAZARA RAILWAY ARE THE MOST IMPORTANT. THE ROUTE OVER THE BOTZAM ROAD THROUGH BOTSWANA IS FREQUENTLY INTERRUPTED BY BREAKDOWNS ON THE FERRY ACROSS THE ZAMBEZI AT KASUNGULA. VARIOUS ROUTES THROUGH MALAWI AND MOZAMBIQUE ARE NOT ALWAYS POSSIBLE DURING THE RAINY SEASON. THERE IS LITTLE PROSPECT OF THE BENGUELA RAILROAD BEING AVAILABLE IN THE NEAR FUTURE. POLITICAL CONSIDERATIONS HAVE BLOCKED THE USE OF THE ROUTE THROUGH RHODESIA.

6. UNTIL A FEW MONTHS AGO, IT APPEARED THAT ZAMBIA HAD BEEN SUCCESSFUL IN RESOLVING ITS WORST TRANSPORTATION PROBLEMS. THE TAZARA LOOKED LIKE A VIABLE ALTERNATIVE TO THE CLOSED LOBITO AND RHODESIA ROUTES. THE KENYA/TANZANIA BORDER CLOSURE WAS THE FIRST CONCRETE ACTION POINTING UP
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ZAMBIA'S VULNERABILITY TO ACTIONS BY TANZANIA. THIS LATEST MOVE BY TANZANIA IS A SHARP REMINDER OF JUST HOW DEPENDENT ZAMBIA IS ON TANZANIAN GOOD WILL. THE NEW STORAGE RATES AT DAR COME AS SHOCK TO ZAMBIA AT A TIME

WHEN ITS FOREIGN EXCHANGE IS AT LOW EBB AND THE ECONOMY IS REELING UNDER SHORTAGES OF IMPORTED COMMODITIES AFFECTING EVERYTHING FROM THE MINES TO THE HOUSE WIFE LOOKING FOR COOKING OIL.

7. EMBASSY DAR MAY BE CORRECT IN ASCRIBING THE DECISION TO RAISE DEMURRAGE CHARGES TO ECONOMIC CONSIDERATIONS (REFTEL), BUT ZAMBIANS ARE ASKING WHY IT WAS ANNOUNCED BY MG. AMAL, AND WHY PRESIDENT NYERERE DID NOT CONSULT KAUNDA ON A MATTER AS POLITICALLY SIGNIFICANT AS THIS. SOME ARE LINKING THE DECISION TO DIFFERENCES BETWEEN KAUNDA AND NYERERE OVER A RHODESIAN SOLUTION. SEVERAL PROMINENT ZAMBIANS WITH SOME HEAT HAVE TOLD THE EMBASSY THAT TANZANIA HAS ONCE AGAIN SHOWED ITS TRUE COLORS IN PROFITING FROM ZAMBIA'S LANDLOCKED POSITION, FORCING ZAMBIA INTO A DIFFICULT POSITION WITH REGARD TO RHODESIA AND SOUTH AFRICA. THEY SAY THAT IF ZAMBIA CANNOT DEPEND ON ITS TANZANIAN FRIENDS FOR A ROUTE TO THE SEA, ZAMBIA MAY BE FORCED TO SEEK AN ACCOMMODATION WITH ITS ENEMY--GHODESIA--IN ORDER TO SAVE THE ECONOMY. THESE ZAMBIANS SUGGESTED THAT THERE MIGHT HAVE TO BE SELECTED APPROVAL FOR CARGO FROM SOUTH AFRICA TO ENTER ZAMBIA FROM RHODESIA VIA THE VICTORIA FALLS BRIDGE. NOT ENTIRELY FACETIOUSLY, THEY SUGGESTED THAT ZAIRE COULD ORDER GOODS VIA RHODESIA FOR ZAMBIA.

8. COMMENT: THERE IS NO QUESTION--ZAMBIANS FEEL HURT AND BETRAYED BY THE TANZANIAN MOVE. WE DO NOT BELIEVE ZAMBIA WILL DO ANYTHING AS DRAMATIC AS OPENING OF THE CONFIDENTIAL

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ZAMBIA/RHODESIA BORDER, BUT THE GRZ MIGHT BE TEMPTED BY A DEAL WHICH WOULD PERMIT ZAIRE TO ORDER GOODS FOR ZAMBIA. THIS LATEST MOVE BY TANZANIA WILL MAKE IT EVEN MORE DIFFICULT FOR KAUNDA TO CONVINCE HIS ELECTORATE THAT ZAMBIANS SHOULD ACCEPT ECONOMIC SACRIFICES OUT OF SOLIDARITY WITH THEIR RHODESIAN BROTHERS WHILE TANZANIA PROFITS FROM THESE SACRIFICES. CLINGERMAN

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